Chapter X

Collaborative Commerce and the Hotel Industry

Michelle Rowe, Edith Cowan University, Australia
Alfred Ogle, Edith Cowan University, Australia

Abstract

This chapter proposes a framework to consider the application of collaborative commerce (c-commerce) in the hotel industry. C-commerce and some general characteristics of the hotel industry are examined, followed by a discussion on the likelihood of c-commerce adoption by hotels. A case study of two five-star hotels located in Perth, Western Australia is considered in light of the framework. Corporate structure, information technology (IT) and its importance to organisation strategy, the role and attitudes of the general manager of each hotel to IT as well as the social identity of the hotel to c-commerce emerge as issues critical to c-commerce. This area of study is in its infancy and further research is required to more fully consider the issues.
Introduction

Hoteliers are notoriously secretive and have been reluctant to share information and ideas with others, especially their rivals, due to a “fear of information leakage” (Chung, Oh, Kim, & Han, 2004, p. 429). This paranoia manifests itself in the dearth of literature on strategic alliances in the lodging sector (Dev & Klein, 1993). But what if hoteliers saw themselves in a different light—sharing information and ideas—from a perspective of co-opetition (competitive co-operation) or collaboration? This chapter poses this question and probes the likelihood of hotels seeing themselves in this light. This issue will be considered in the context of collaborative commerce which will firstly be defined and explained.

Collaborative commerce (c-commerce) is the use of Internet-based technology that promotes collaboration in business. The emergence of c-commerce reflects a shift of focus to relationships between firms, not just transactions (Sheth, 1996). Network behaviour, which underpins inter-organisational relationships, is of interest to tourism and hospitality operators. The premise behind the formation of networks is the realisation that a single organisation is incapable or unwilling to cope with environmental conditions (Cravens, Shipp, & Cravens, 1993) and does not possess the skills and expertise needed to compete in that environment.

This chapter overviews the concept of c-commerce and investigates the relevance of this concept to the hotel industry generally by way of a case study of two five-star rated hotels located in Perth, Australia. Although collaborative strategies of international hotel chains have been explored (Fyall & Spyriadis, 2003), the authors seek to investigate the phenomenon with respect to a framework that considers c-commerce and its antecedents. To understand factors necessary for and to explain adoption of c-commerce, the domains of MIS, management and an industry perspective are all relevant—hence a multidisciplinary approach is taken.

The influence of the manager and ownership structure of the hotel are thought to be important factors in the adoption of c-commerce. Using case studies of Perth hotels, the chapter also raises the questions of what motivates general managers (GMs) to enter into relationships with competitors, the nature and extent of these relationships and the role of information technology (IT) within the organisation and in such relationships. These issues have not been widely researched, however, and are considered here.

What is C-Commerce?

C-commerce is the use of technology, especially Internet-based technology, that promotes collaboration amongst businesses. It consists of all of an organisation’s
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